

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1953 – SB 2149

April 18, 2018

SUMMARY OF ORIGINAL BILL: Extends the termination date of the University of Tennessee, Board of Trustees to June 30, 2019. Under the Tennessee Governmental Entity Review Law, the Board is scheduled to terminate on June 30, 2018.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (016149, 017455): Amendment 016149 corrects an incorrect statutory reference without making any substantive changes to the legislation.

Amendment 017455 adds language to the original bill such that the substantive changes are as follows: (1) reconstitutes the composition of the UT Board of Trustees to consist of five ex-officio members, and 22 appointed members; (2) sets forth selection process, duties, responsibilities, and term limits for appointed members; (3) requires each member of the Board of Trustees to be reimbursed for travel related expenses; and (4) sets forth other revisions regarding the governance of the UT system.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – Exceeds \$15,000/University of Tennessee

Assumptions for the bill as amended:

- This bill continues an existing entity at its current funding level.
- According to the University of Tennessee, the Board of Trustees incurred expenses totaling \$260,580 in FY15-16 and \$335,303 in FY16-17.
- On April 11, 2018, Public Chapter 657 was signed into law which establishes, as of July 1, 2018, the existing membership of the board of trustees of the University of Tennessee is vacated and reconstituted to consist of one ex officio voting member, who shall be the Commissioner of Agriculture; 10 voting members appointed by the Governor; and one nonvoting student member appointed.

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- The proposed amendment 017455 would increase the number of members serving on the UT Board of Trustees to 27 members, increasing the total number of members by 15.
- Travel reimbursement expenses for the members of the UT Board of Trustees are reasonably assumed to be at least \$200 per member per meeting for at least five meetings per year.
- Each member receives at least \$1,000 (5 meetings x \$200) in travel expense reimbursement annually. The recurring increase in state expenditures to UT is estimated to exceed \$15,000 (\$1,000 x 15).
- Any increase in state expenditures for additional meeting materials is estimated to be not significant.
- Policies regarding the governance of the UT System under the provisions of the proposed legislation will be adopted and performed during UT's normal course of business. Any fiscal impact to UT as a result of adopting policies regarding the governance of the UT system is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/rbp